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DE RUEHKO #1097/01 1350106  
ZNR UUUUU ZZH  
P 150106Z MAY 09  
FM AMEMBASSY TOKYO  
TO RUEHC/SECSTATE WASHDC PRIORITY 2949  
INFO RUEKJCS/SECDEF WASHDC PRIORITY  
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY  
RUEAWJA/USDOJ WASHDC PRIORITY  
RULSDMK/USDOT WASHDC PRIORITY  
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RUAYJAA/CTF 72  
RUEHNH/AMCONSUL NAHA 6316  
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RUEHUL/AMEMBASSY SEOUL 5280  
RUCNDT/USMISSION USUN NEW YORK 5046

UNCLAS SECTION 01 OF 08 TOKYO 001097

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E.O. 12958: N/A

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 05/15/09

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## 1) TOP HEADLINES

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Hatoyama, Okada show determination on DPJ presidential race

Yomiuri:

Hatoyama takes early lead in DPJ leadership poll

Nikkei:

Major companies also to raise health insurance premiums

Sankei:

DPJ presidential election: Hatoyama - "I will devote myself to a change in power"; Okada - "I will regain public confidence"

Tokyo Shimbun:

DPJ presidential election: Okada's manifesto includes early implementation of 300-day administrative reform plan once DPJ takes reins of government

Akahata:

Worker dispatch law needs drastic reform

## 2) EDITORIALS

Asahi:

(1) DPJ presidential election: Choose new president with eye on upcoming general election

(2) Extra budget sent to Upper House: Question folly of "anything

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goes" mentality

Mainichi:

(1) Hatoyama vs. Okada: Both candidates should fight it out in campaign broadcast

(2) Futenma relocation: Revise plan so that local residents can accept it

Yomiuri:

(1) Major firms' account settlements post massive deficits: What is needed to restore business performance?

(2) Honeybee shortage: Impact on agriculture cannot be taken lightly

Nikkei:

(1) Eco-point system should be made more convenient

(2) Guam agreement voted down in Upper House: Possibility of rejection becoming burden in future

Sankei:

(1) DPJ leadership poll: Will DPJ sweep illegal donations scandal under carpet?

(2) Isolation period shortened: Do not hesitate to change policy

Tokyo Shimbun:

(1) Solar energy generation: Expand discussion to national debate

(2) Situation in Burma: International pressure indispensable

Akahata:

(1) Extra budget clears Lower House: Pork-barrel budget does more harm than good

## 3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, May 14

NIKKEI (Page 2) (Full)

May 15, 2009

07:31

Took a walk around his official residence.

10:00

Met at Kantei with METI Vice Minister Mochizuki and Economic and

Industry Director General Matsunaga, followed by Environment Minister Saito, Environment Vice Minister Minamikawa, and Global Environment Bureau chief Terada.

11:00

Met with Mayor of Sao Paulo Kassab. Telephoned Venezuelan President Chavez, accompanied by Natural Resources and Energy Agency chief Ishida.

12:00

Met with Internal Affairs and Communications Ministry Vice Minister for Policy Coordination Terasaki. Met afterwards with Ambassador to France Saito and Ambassador to Belgium Yokota.

14:40

Met with Vice Foreign Minister Yabunaka.

15:12

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Met with Cabinet Office Vice Minister for Policy Coordination Fujioka. Met later with Canadian Foreign Minister Cannon.

16:15

Met with Cabinet Intelligence Director Mitani.

17:00

Met with Takeo Hiranuma, chairman of the informal council of Diet members.

17:40

Met with advisors to the Cabinet Kusaka and Nishimura, Foreign Ministry Global Issues Director General Sugiyama, METI Industrial Science and Technology Policy and Environment Bureau Director general Suzuki, and Environment Ministry Global Environment Bureau chief Terada.

8:50

Dined with TV networks' economic bureau heads at Japanese restaurant in Yurakucho.

21:15

Met Aso Co. President Yasuhi Aso at bar in Imperial Hotel.

23:34

Returned to his official residence.

4) DPJ presidential race tomorrow: Okada expresses resolve to take over political power; Hatoyama shows willingness to build united party

MAINICHI (Top Play) (Lead Paragraph)  
May 15, 2009

Following Secretary General Yukio Hatoyama, Vice President Katsuya Okada formally declared his candidacy for the Democratic Party of Japan's (DPJ) presidential election on May 16 during a press conference yesterday. Meanwhile, Deputy President Naoto Kan announced yesterday he would not run in the election. The upcoming election will be a one-on-one fight between Hatoyama and Okada. Hatoyama is building up a lead through his strong support base of lawmakers close to outgoing leader Ichiro Ozawa and other members. Okada, who does not have his own group, is aiming to secure support from junior and mid-ranking party members, based on the high public support for him shown in polls.

5) DPJ presidential race: Hatoyama takes lead over Okada

YOMIURI (Top play) (Excerpts)  
May 15, 2009

Democratic Party of Japan (DPJ) Vice President Katsuya Okada, 55, held a press conference at party headquarters yesterday afternoon to formally announce his candidacy for the May 16 party leadership election to determine the successor to outgoing president Ichiro Ozawa. With Secretary General Yukio Hatoyama, 62, having announced

his candidacy earlier in the day, the race is likely to become a head-on clash between the two. According to a Yomiuri Shimbun survey of DPJ lawmakers with votes, Hatoyama has gained the upper hand over Okada by obtaining support from the group supporting Ozawa and House of Councillors members. Okada is fiercely closing the gap on Hatoyama owing to support from the groups led by Vice President

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Seiji Maehara and Public Relations Committee Chairman Yoshihiko Noda.

#### 6) Treatment of Ozawa comes into focus

NIKKEI (Page 2) (Abridged)  
May 15, 2009

In response to an interview yesterday with the Nihon Keizai Shimbun, Democratic Party of Japan (DPJ) Secretary General Yukio Hatoyama, who has formally announced his candidacy for the party presidency, revealed that he would like to have both DPJ President Ichiro Ozawa, who has now announced his resignation, and Vice President Katsuya Okada in the new leadership if he becomes party president. Amid the party leadership poll increasingly building a confrontational scheme of a pro-Ozawa group vs. a non-Ozawa group, how to treat Ozawa has surfaced as a key issue.

Concerning the treatment of Ozawa, Hatoyama said of the present so-called troika plan involving Ozawa, Deputy Vice President Naoto Kan and Hatoyama. He noted, "For instance, I would set up a new troika plan in the form of involving Mr. Okada. I would like to take time to consider how to treat Mr. Ozawa until I become party president." He also said, "Even if I need to change the leadership, it would be a minor change. It is necessary to first set up a system that can ensure the DPJ's victory in the upcoming election (for the House of Representatives)."

Okada, appearing on an NHK TV program aired yesterday evening, pointed out, "I have stuck to my policy of not joining the leadership over the past four years. That is because my view differs from the method of party management and the party policy under President Ozawa." He then indicated his stance by saying, "If Mr. Hatoyama becomes president, I will ask him about details of his party management policy. If I can agree, I might join the leadership."

Okada during a press conference held to announce his candidacy implied that he could ask Ozawa and Hatoyama to join the new leadership. Both Hatoyama and Okada are upholding an all-party setup, presumably because they want to avoid bringing about strains in the party over the issue of whether to take over or switch the Ozawa policy line.

#### 7) Hatoyama and Okada's campaign pledges for DPJ presidency

YOMIURI (Full)  
May 15, 2009

Yukio Hatoyama - To realize a fraternal society

1. Aiming at a fraternal society based on the independence and dignity of individuals; compiling budgets under the leadership of lawmakers; reforming the civil servant system, including a total ban on amakudari (the practice of senior bureaucrats landing postretirement jobs at entities related to the sections they formerly supervised) and post-retirement job-hopping practices by bureaucrats; banning corporate and organizational donations, restricting the Diet seat hereditary system, reducing the number of Lower House proportional representation seats by 80; establishing a single pension system; abolishing the medical system for people 75 and older; improving labor conditions for caregivers; providing

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312,000 yen in childrearing allowance annually; making high school education free of charge; reinforcing the unemployment insurance

system; and creating a job-seeker assistance system.

12. Creating world peace independently to protect Japan; promoting fraternal diplomacy to pursue Japan's independence and to coexist with societies that have different values; and contributing to international organizations.

Katsuya Okada - To increase the people's happiness

(Priority policies)

11. Reforming the safety net; establishing a single pension system; covering the basic pension entirely with tax revenues; cutting off the past debt of 270 trillion yen; creating a childrearing allowance; making high school education effectively free of charge; expanding the applicable scope of employment insurance; creating a job-seeker assistance allowance.

12. Eliminating wasteful spending; integrating the government and the ruling parties into one body; banning amakudari altogether, establishing an administrative reform council to eliminate wasteful spending, reducing the total labor cost for national civil servants by 20 percent.

13. Decentralization; reducing the central government's authority and revenue sources; improving support for small businesses; removing expressway tolls; increasing the food self-sufficiency rate by making the country's agriculture internationally competitive and creating an income-subsidy system for farmers.

14. Overcoming the economic crisis; creating new industries centering on measures against global warming; strategically investing in airports and seaports.

15. Opening up national interests; addressing global issues in collaboration with the Obama administration which shares common values; concluding a Northeast Asia nuclear weapon-free zone for the elimination of nuclear weapons.

16. Restoring public trust in politics; completely banning corporate and organizational donations; establishing a rule prohibiting fielding a candidate of third degree of kinship consecutively in the same constituency; amending laws in a way to effectively prohibit the inheritance of political funds; reducing the number of Diet seats by 10 percent and the number of Lower House proportional representation seats by 80 seats.

(The administration 300-day plan)

11. Formulating plans; carrying out political and administrative reforms in the first reform phase until next year's Upper House election; putting the economy on a growth track in the second phase of the remaining three years in order to overcome long-term challenges.

12. Clarifying financial resources; no policy without financial resources.

8) "Include right to collective self-defense in party platform"

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NIKKEI (Page 2) (Full)  
May 15, 2009

In a speech in Tokyo on May 14, former prime minister Shinzo Abe stated that, "depending on the circumstances, we should call for the exercise of the right to collective self-defense in the next House of Representatives election." He asked for consideration of the inclusion of a change in the government's constitutional interpretation banning the exercise of this right in (the Liberal Democratic Party's) campaign platform.

Abe asserted that, "Inability to exercise this right constitutes a major impediment to defending the country." He also said that this will "serve as a point of contention with many Democratic Party of

Japan Diet members," pointing out that this will become an issue in the election.

9) "Difficult to lift ban on F22 export"

YOMIURI (Page 6) (Full)  
May 15, 2009

(Satoshi Ogawa, Washington)

U.S. Secretary of Defense Robert Gates discussed the discontinuation of the production of the advanced stealth fighter F22 during his testimony at the U.S. House of Representatives Committee on Armed Services on May 13. He said: "We have not designed an export model of the F22. We are doing that with the F35," thus disclosing that the F35 currently under development will be the fifth generation fighter, characterized by its capability to avoid radar detection, to be exported to U.S. allies. Japan has designated the F22 as its main next generation fighter and is asking the U.S. to lift the export ban. It now appears that this will be difficult.

Gates also emphasized that the discontinuation of F22 production will not affect the superiority of the U.S. forces.

10) Foreign ministers agree to speed up Canadian military aircraft's use of SDF bases

ASAHI (Page 4) (Full)  
May 15, 2009

Atsuko Tannai

Foreign Minister Hirofumi Nakasone met with Canadian Foreign Minister Lawrence Cannon at the Ministry of Foreign Affairs (MOFA) Iikura House on May 14. The two ministers agreed to speed up procedures to allow Canadian military aircraft to stop over at Self-Defense Forces (SDF) bases in order to respond rapidly to humanitarian and disaster aid needs in the Asian region.

According to MOFA, it normally takes a week to approve the use of SDF bases by foreign military aircraft for supplies and maintenance. With the new agreement, Canadian military planes will be able to use SDF bases within 48 hours after a request is received. Canada is the first country to have such a bilateral arrangement with Japan.

11) Ex-Xinhua journalist admits Japanese Ambassador to China Miyamoto handed out 3 million yen

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SANKEI (Page 3) (Full)  
May 15, 2009

Kyodo, Beijing

Yu Jiafu, 62, former chief of the foreign affairs bureau of the state-run Xinhua News Agency, was found guilty of handing out state secrets to Japanese Ambassador to China Yuji Miyamoto. In regard to this case, Yu has admitted that he had received 207,000 yuan (about 3 million yen) in cash directly from Miyamoto, sources revealed yesterday.

An official of the Japanese Embassy in Beijing stated: "We are not in a position to make a comment on the court ruling."

12) Diplomatic missions abroad observe local laws: Kawamura

NIKKEI (Page 2) (Full)  
May 15, 2009

Asked about the fact that a Chinese court had handed down a guilty verdict to a former reporter at the state-run Xinhua news agency for handing out state secrets to diplomats, including Japanese Ambassador to China Yuji Miyamoto, Chief Cabinet Secretary Takeo Kawamura yesterday stated: "I can't make any comment on individual activities. Diplomatic missions abroad respect local laws. There is

no problem."

13) Visa-free exchanges suspended

YOMIURI (Page 2) (Full)  
May 15, 2009

The visa-free exchange program between Japanese citizens and Russian residents of the four Russian-held islands off northeastern Hokkaido has been suspended. The exchange program was planned to start for the first time this year on May 15. According to the Ministry of Foreign Affairs, the Russian side on May 13 announced the cancellation, citing "a delay in preparations." Administrative Vice Minister Mitoji Yabunaka yesterday called Russian Ambassador to Japan Mikhail Bely to his ministry and urged him to implement the program as quickly as possible.

14) In interview, ROK prime minister expresses eagerness for cooperation with Japan in environmental area

NIKKEI (Page 1) (Full)  
May 15, 2009

(Yamaguchi, Seoul)

South Korean Prime Minister Han Seung-soo responded to an interview with Nikkei at the Government Office Building in Seoul on May 14, in which he emphasized his eagerness to promote cooperation with Japan in the environmental area, specifically, on energy conservation and development of new regenerated energy. He also revealed his willingness to assist Japanese small- and medium-sized manufacturers of parts and materials related to environmental protection in branching out into South Korea. Further, he stressed the need for South Korea, Japan, and China to work out a new system to prevent the spread of new strains of influenza.

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President Lee Myung-bak extended an invitation to the Emperor to visit South Korea when he came to Japan in April of last year. In reference to this invitation, Han said: "We would like to (see this plan realized at an early date and) make use of the visit as an opportunity for Japan and South Korea to become closer and resolve pending thorny issues."

In discussing environmental issues, the prime minister emphasized:

"For technology to cut carbon dioxide (CO2) emissions, there are many ways that the two countries can cooperate. Even small- to medium-sized companies can take the lead in this area. We would like to cooperate fully in the parts and material industries, in which Japanese firms are specialized."

He thus revealed that South Korea is aiming at creating jobs by fostering domestic environmental industries through cooperation with Japanese firms. South Korea is expected to take such measures as helping Japanese companies advance into an industrial park intended for them and introducing a preferential tax system for Japanese firms operating there.

With respect to efforts to reduce CO2 emissions, Han said: "The government will push ahead with preparations, with the aim of announcing our mid-term target that covers until 2020 by the end of this year," with an eye on the 15th session of the Conference of the Parties to the UN Framework Convention on Climate Change to be held in Copenhagen later this year.

Regarding measures to prevent the spread of new strains of flu, the prime minister stressed the importance of cooperation among Japan, China, and South Korea, citing that the three countries have discussed measures to prevent infectious diseases in the past.

ZUMWALT